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**Amendment No. 12 to SB1667**

**Person  
Signature of Sponsor**

**AMEND Senate Bill No. 1667**

**House Bill No. 1390\***

by deleting in its entirety SECTION 6 of the printed bill, as amended by Senate Amendment No. 1 and Senate Amendment No. 3, and by substituting instead the following new language:

SECTION 6. Tennessee Code Annotated, Section 71-3-502(j), is amended by re-designating the subdivision references to "(j)(3)" currently contained in existing subdivision (j)(3)(D), as "(j)(6)", wherever found; and is further amended by re-designating existing subdivision (3) as subdivision (6); and is further amended by re-designating existing subdivision (5) as subdivision (7); and is further amended by deleting existing subdivisions (1) and (2) in their entireties, and by substituting instead the following new subdivisions (1) and (2) as follows; and is further amended by deleting subdivision (4) in its entirety; and is further amended by adding new subdivisions (3), (4), (5), and (8) as follows:

(1)

(A) No later than August 1, 2001, the department of human services, in consultation with the Tennessee commission on children and youth, shall establish and implement a mandatory child care agency report card system in conformity with the provisions of subdivision (2), and a separate and voluntary child care agency rated licensing system in conformity with the provisions of subdivision (3) below.

(B) The report card system and the rated licensing system shall be used for the purpose of evaluating, individually and collectively, all child care agencies licensed or approved by the department pursuant to title 71, chapter 3, part 5 so that parents or other caretakers of children enrolled, or being considered for enrollment, at a child care agency, may make more informed

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decisions regarding the care of their children by comparing the quality of services offered by child care agencies, and to encourage the improvement of out-of-home child care for Tennessee's children. It is the legislative intent that the report card and rated licensing process established pursuant to subdivisions (2) and (3) of this subsection shall be developed in a manner to be easily usable by parents or guardians of children to make informed choices related to childcare.

(C) For purposes of subdivisions (1)-(4) of this subsection, the term "child care agencies" shall include "child care centers", "group child care homes" and "family child care homes" as defined by this part.

(2)

(A) The mandatory report card system shall become effective August 1, 2001. Each child care agency shall receive a report card evaluation during the first licensing cycle of the child care agency that begins after October 1, 2001 and annually thereafter. The mandatory report card shall include an annual evaluation of the child care agency by the department that shall be required for each child care agency. The report card shall reflect key indicators of performance comparison among all Tennessee child care agencies. Key indicators shall include, but not be limited to, the following:

(i) Health and safety;

(ii) Training, education, certification, and credentials of all supervisory staff, including the director or licensee;

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- (iii) Staffing ratios;
- (iv) Child development and enrichment;
- (v) Accreditation status; and
- (vi) Adequacy of physical facilities.

(B) The department shall not fail to recognize the credentials of any accrediting agency based solely upon the religious affiliation or ethnicity of the organization granting accreditation to a child care agency.

(C) The report card shall not include an overall numeric or alpha score, grade or rating of the child care agency.

(D)(I) The annual mandatory report card shall reflect the child care agency's performance under the key indicators in subdivision (2)(A).

(ii) Upon completion, the report card shall be clearly marked and conspicuously posted at each child care agency for review by the parents of children enrolled, or being considered for enrollment, at the child care agency.

(E)(i) During the first licensing cycle of each child care agency that begins August 1, 2001, the mandatory report card evaluation shall also include, as determined by the department, an evaluation of the child care agency, based upon the use of a valid and reliable program assessment instrument for evaluating the quality of child care programs through direct observation of the agency's child care program.

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(ii) During the first licensing cycle of each child care agency that begins August 1, 2001, the program assessment instrument scores shall not be included either on the report card or as a overall separate numeric or alpha score, grade or rating on the license or as an attachment to the license, and the department shall only provide to the child care agency a separate document with the results of the child care agency's program assessment instrument evaluation.

(iii) Beginning October 1, 2002, the mandatory annual report card shall include, in addition to the agency's performance under the key indicators established pursuant to subdivision (2)(A), and, notwithstanding any other provisions of subdivisions (1)-(3) to the contrary, the agency's overall program assessment instrument score and any accompanying explanatory text related to the instrument.

(3)

(A) The rated licensing system shall become effective on August 1, 2001. The rated licensing system shall include an evaluation of the key indicators described in subdivision (2)(A), including the results of a program assessment instrument as described in subdivision (2)(E)(i). A child care agency may qualify for the rated licensing system by demonstrating, through evaluation of the key indicators and the program assessment instrument, that the child care agency exceeds basic licensing standards as outlined in the rated licensing criteria determined by the department.

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(B) Participation in the rated licensing system shall be voluntary for each qualified child care agency. Qualified child care agencies that volunteer to participate in the rated licensing system must apply in writing to the department following receipt of the report card issued pursuant to subdivision (2) in such manner as the department may prescribe.

(C) Qualified child care agencies that volunteer to participate in the rated licensing system shall receive a child care quality rating. The participating agency may voluntarily post the rating prior to October 1, 2002. On and after October 1, 2002, the child care agency shall be required to post the rating. The rating shall be posted by the agency with its license in a conspicuous place for review by the parents or other caretakers of a child enrolled, or being considered for enrollment, at the child care agency.

(D) Beginning August 1, 2001, any qualified child care agency that agrees to voluntarily participate in the rated licensing system established by this subdivision and that accepts the department's child care assistance subsidy payments may receive higher subsidy payments, as determined by the department, based upon the child care quality rating and subject to available funding in the department's budget.

(E) A child care agency may at any time voluntarily withdraw from the rated licensing system by submitting a notice in writing to the department in such manner as the department prescribes. The department may also determine at any time, in such manner as the department may prescribe, that

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the child care agency no longer meets the rated license criteria for the agency's rating. In either event, the child care agency shall no longer be eligible to display that rating or to use it in any informational materials related to the agency, nor shall it continue to receive increased child care subsidy payments, if any, based upon that rating. The rating shall be immediately removed from display at the agency. The department shall have standing to seek appropriate regulatory action under its rules, or to seek injunctive relief, to enforce the provisions of this paragraph.

(4)

By January 15, 2003, the department of human services and the Tennessee commission on children and youth shall submit a report regarding the implementation and status of the report card and rated licensing systems to the chairs of the House Health and Human Resources Committee, the House Children and Family Affairs Committee, the Senate General Welfare and Human Resources Committee and the Select Committee on Children and Youth.

(5)

(A) Effective August 1, 2001 there is created a twelve (12) member advisory council to be appointed by the governor. The sole purpose of the advisory council shall be to provide recommendations to the department regarding the report card and the rated licensing system established pursuant to subdivisions (1)-(3).

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(B) The council shall be composed of six (6) representatives of child care centers, three (3) representatives of group child care homes, and three (3) representatives of family child care homes. There shall be two (2) representatives of child care centers from each grand division. There shall be one (1) representative from each grand division for group child care homes and one (1) representative from each grand division for family child care homes. Members shall serve two (2) year terms, and may be re-appointed. Any vacancy shall be filled by the governor from the same grand division and class of child care agency. The members shall serve without compensation. Members shall be subject to removal by the governor for good cause. Members shall, to the extent possible, be appointed so as to represent a cross section of private-pay and subsidized child care providers and the ethnic populations represented in the child care industry.

(C) The advisory council shall elect from among its membership a chair, vice-chair and such other officers as the council deems necessary.

(D) The advisory council shall meet at least three (3) times each year, and shall meet more frequently as the business of the council may require. The council may be called to meet by the commissioner of human services at any time it becomes necessary between regular meetings to provide timely reviews of the department's proposed changes to the report card process or the rated licensing system.

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(E) Consultation by the department with the council shall be mandatory; provided, however, failure of the council to meet and deliver to the department its responses or recommendations regarding the department's proposed changes within a reasonable period of time following written notice to the council chair by the department of the need for a review of the department's proposed changes shall negate any further mandatory consultation requirement established by this paragraph.

(F) The advisory council recommendations shall be applicable only for any proposed changes to the annual report card or rated licensing system established by this subsection that are proposed by the department after August 1, 2001. Consultation with the advisory council shall not be required for any plans developed by the department for the design or implementation of the annual report card or rated licensing system prior to August 1, 2001.

(8) Any child care agency that knowingly provides false information or that fails to provide any information to the department, the comptroller, or their agents or designees:

(A) That is required or necessary to perform any of the provisions of this section, including, but not limited to the verification requirements of subdivisions (j)(6) or (j)(7);

(B) That fails to allow entrance by any person designated by the department to perform the report card or rated licensing evaluation required by subdivisions (j)(1)-(3); or



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(C) That continues to display expired or revoked licensing ratings in violation of subdivision (j)(3)(E) after written notice by the department; shall be subject to denial or revocation of its license by the department, and may also be subject to a civil penalty of five hundred dollars (\$500.00) imposed by the department.

AND FURTHER AMEND by deleting Senate Amendment No. 11 in its entirety.

AND FURTHER AMEND by deleting Senate Amendment No. 4 in its entirety.

AND FURTHER AMEND by adding the following new SECTION immediately preceding the severability clause of the printed bill, as amended, and by re-numbering subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. The provisions of Section 6 of this act that, if enacted, would amend the provisions of Tennessee Code Annotated, Section 71-3-502(j), subdivisions (1)-(4) relative to the establishment of the annual report card and a rated licensing system for child care agencies licensed or approved by the department of human services and that would further add a new subdivision (j)(5) to create an advisory council for review and recommendations regarding the report card and rated licensing system, shall become void and cease to be of effect on the last day of the fiscal year following the fiscal year during which federal funding is terminated and not available to fund the positions and operations that were initially funded with federal funds and that are required by the provisions of Section 6 for the operation of the annual report card and the rated licensing system. Nothing herein shall prevent the general assembly from the continuation of the report card and rated

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licensing system by use of state funds for all or a portion of those programs, and, if this is done by any appropriations act passed prior to the date upon which the provisions of § 71-3-502(j)(1)-(5) would otherwise become void pursuant to this Section, such provisions shall remain in effect.